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STATE PROCUREMENT OFFICE  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer

2. FROM: DLNR / Kaho'olawe Island Reserve Commission (KIRC)

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

All fresh, frozen and dry food items needed to prepare meals on Kaho'olawe for KIRC personnel and volunteers who spend up to seven days per week on-island. In all of FY10, KIRC estimates it will prepare 3,000 - 3,500 breakfasts, lunches and dinners. KIRC's FY10 food budget is \$73,500; this exemption request would only apply from November 2009 through June 2010, so the equivalent is \$49,000. KIRC's food list is attached.

4. Name of Vendor: VIP Foodservice, Rimfire Imports, Costco, Love's, etc

Address: Kahului and Wailuku, Maui

5. Price:

\$49,000

6.

Term of Contract: From: approval

To: 6-30-10

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: KIRC's food purchasing differs significantly from other state agencies, such as the Departments of Education and Public Safety. KIRC does not have a great deal of secure storage space (including safe from bugs and rodents) on Maui or Kaho'olawe for dry, fresh or frozen food items, so orders must be made once per week or every other week. Additionally, the volume of personnel can change significantly from week to week – sometimes there will be as few as two staff on-island, other times there will be groups as large as 60 – so food purchasing has to be able to support large variations in numbers. Lastly, personnel and volunteers have a diversity of dietary restrictions (e.g., allergic to shellfish, lactose intolerance, vegetarian), which change from week to week since personnel changes from week to week. \*\* See attachment for more explanation \*\*

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Open competition was provided during the last IFB process in May 2008. Through the end of FY10, no additional competition will be sought. KIRC will generally continue to purchase items from those vendors who won bids under the May 2008 IFB; however, if vendors are out-of-stock or have weekly specials, KIRC will have the flexibility to purchase different items from different vendors. (If this request is approved, we anticipate submitting a renewal request for FY11, which will involve KIRC obtaining current price lists from all vendors and doing price comparisons.)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

Orders are approved by KIRC's Deputy Director and are placed by KIRC's Logistics Specialist; invoices are processed by KIRC's Administrative Specialist III, under the approval of the Executive Director.


**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Michele McLean	Deputy Director	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Keone Laepaa	Logistics Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
David DeMark	Administrative Specialist III	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Michael Nahoopii	Executive Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: DLNR - KIRC Contact Name: Michele McLean Phone Number: 243-5030 Fax Number: 243-5885
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

  
 \_\_\_\_\_  
 Department Head

10/15/09

\_\_\_\_\_ Date

**Reserved for SPO Use Only**

15. Date Notice Posted 10-19-09

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:


Chief Procurement Officer  
 State Procurement Office  
 P.O. Box 119  
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

Exemption is not approved for fresh meats and fresh produce. Pursuant to Act 175, SLH 2009 fresh meats and produce shall be subject to competition pursuant to HRS Chapter 103D. See procurement Circular 2009-08 for guidelines on this issue. All other items attached to this request are approved.

16.

☒ **APPROVED**
☐ **DISAPPROVED**
☐ **NO ACTION REQUIRED**

  
 \_\_\_\_\_  
 Chief Procurement Officer

11/20/09  
\_\_\_\_\_ Date

Until October 1, 2006, the contractor that managed KIRC's Kaho`olawe base camp also purchased all food products. To save money and have more control over purchases, KIRC assumed this responsibility three years ago, issuing its first IFB in September 2006 for approximately 350 food items. Additional IFBs followed in June 2007 and May 2008. All three IFB processes resulted in contracts with three vendors (VIP, Rimfire and King) to purchase the items for which bids were received. All three processes also resulted in many items not receiving bids, so SPO approval was obtained each time to purchase these non-bid items via P.O. from other vendors (Costco, Love's, Meadow Gold, etc.).

This process locks KIRC into purchasing specific items from one vendor, and other specific items from another vendor. This creates problems and is not practicable when a vendor is temporarily out-of-stock of an item, because we cannot purchase that item from anywhere else. It is also not practicable because vendors have dollar thresholds for delivery; if we fall short of the delivery dollar threshold for one vendor, then we cannot add items (from another vendor) to make up for it. This is also not advantageous to the KIRC for two reasons: (1) we are not able to benefit from weekly specials that vendors may have on items for which they are not contracted, and (2) vendor prices change weekly, so one vendor may have the lowest price for an item at the time of the bid, but another vendor could have the lowest price at any time in the future.

If KIRC were to continue with an annual solicitation process, it would undoubtedly have the same result that it has had since 2006 – three contracts with three vendors plus SPO approval for the non-bid items. Using HePS for future solicitations is also not practicable or advantageous. In a training session on October 13, 2009, KIRC staff discussed the solicitation of food products.

**THE TRAINER RECOMMENDED THAT KIRC OBTAIN A PROCUREMENT**

**EXEMPTION.** Although HePS allows the buyer to list goods from more than one class (*e.g.*, frozen food – class 385, perishable food – class 390), the email alert to vendors is only sent to those vendors who are registered for the first listed class (*e.g.*, frozen food – class 385).

Therefore, for KIRC to solicit its food list on HePS, at least six separate solicitations would have to be posted to cover all of the classes (in addition to frozen and perishable, there is dairy, staples or dry goods, bakery, and spices). This would then result in KIRC having six contracts with one vendor, making accounting and invoicing far more complicated than it needs to be, and likely facing vendor refusal to do so. These issues aside, the practical result of soliciting on HePS would be the same as the past three IFBs: KIRC would contract with three vendors for most items and would need SPO approval for the non-bid items. This would again leave KIRC with the challenges noted in the paragraph above, which provides the reasons for the exemption request.

Another factor that makes the current procurement process not practicable or advantageous is the confusion and frustration over the processing of contracts and approvals for non-bid items.

The IFB process typically results in a contract with a list of goods, their quantities and prices, and a total dollar value. But this does not suit KIRC's food contracts because we do not know the quantities. It would be more appropriate to pick an estimated total dollar value and attach the vendor's bid price list, but this is not acceptable to DLNR Fiscal or DAGS. Instead, our food contracts indicate that we'll purchase ten or 100 of each item for the sake of having an actual contract total, which we know is completely inaccurate. Strangely, Fiscal and DAGS rejected one of our last food contracts and told us to submit a P.O. instead, which we did (and which seems more appropriate). But after one year, we were told to get a contract time extension from the vendor in order to continue to invoice through the P.O., which was unusual because we did not have a contract in the first place, and because P.O.s generally do not expire.

For the non-bid items (items that were included in the IFBs but no bids were made for them), each year we have submitted a Request for Alternative Procurement to SPO in order to purchase these items through P.O.s with the vendors that carry them. These items are generally carried by Costco, Love's Bakery and Meadow Gold Dairy. These vendors have told us – year after year – that they do not want to submit bids and they do not want a contract with the State, but they are happy to fill orders through a P.O. Year after year, SPO eventually approves our Request for Alternative Procurement, but it has come with the requirement that we re-solicit the non-bid items on HePS. Year after year, we jump through this hoop with the same result again – no bids.

Between Fiscal, DAGS and SPO, there have been lapses in approvals or finalizing of contracts, resulting in procurement violations because we have continued to purchase needed food items. We cannot shut-down our island operations during these lapse times, which we would be forced to do if we could not purchase food for our personnel.

Mahalo.

# KIRC FOOD LIST - OCTOBER 2009

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
<b>Fresh Dairy and Bakery Products</b>				
White bread		Loaf		
Whole wheat bread		Loaf		
Dark rye bread		Loaf		
12-grain bread		Loaf		
Hawaiian sweet bread		Loaf		
Squaw bread		Loaf		
Hamburger buns, white		Dz		
Hotdog buns, white		Dz		
Brown & serve rolls		Dz		
Brown & serve rolls, sourdough		Dz		
English muffin, plain		Dz		
English muffin, raisin		Dz		
Deli Roll, Poor Boy		1/2 Dz		
Bagels, plain		1/2 Dz		
Bagels, cinnamon-raisin		1/2 Dz		
Croissant		1/2 Dz		
Tortillas, Flour, 12"		12 / 12/case		
Tortillas, Corn, 12"		12 / 12/case		
Lumpia wrappers		Case		
Milk, homogenized		Gal		
Whole milk		½ pint		
2% lowfat milk		½ pint		
1% chocolate milk		½ pint		
Orange juice, single-serve carton		Oz		
POG, single-serve carton		Oz		
Yogurt, single-serve		Oz		
Cottage cheese		Lb		
Egg nog		Quart		
Sour cream		Lb		
Cheddar cheese, shredded		Lb		
Cheddar cheese, block		Lb		
Swiss cheese, block		Lb		
Swiss cheese, sliced		Lb		
Jack cheese, block		Lb		
American cheese, sliced		Lb		
Parmesan cheese, grated		Lb		
Feta cheese		Lb		
Blue cheese		Lb		
Mascarpone cheese		Lb		
Mozzarella cheese, shredded		Lb		
Cream cheese loaf		Lb		
Cream cheese / single-serve	100/case	Case		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
#60 Salted butter		Lb		
Butter cups - single-serve		Lb		
Whipping cream 36%		Quart		
Reddi Egg		Dz		
Eggs		Dz		
Tofu		Lb		
Poi		Lb		
<b>Frozen Entrees and Meats</b>				
Callendar's chicken pot pie	6 per package	Pkg		
Teri chicken rice bowl	6 per package	Pkg		
Sabatasso's deep dish pizza	12 per package	Pkg		
Halm's pork laulau	5 per package	Pkg		
Halm's chicken laulau	5 per package	Pkg		
S&S saimin cups	12 per case	Case		
NY Strip choice		Lb		
Top sirloin butt choice		Lb		
L/O Rib-eye no-roll, Select IBP		Lb		
Beef short ribs, thick cut		Lb		
Baby-back ribs, uncooked		Lb		
Ground beef, 80% lean		Lb		
Ground chuck patties	6oz/ea	Lb		
Garden Burger, original	48 per case	Case		
Hot dogs		Dz		
Turkey dogs		Dz		
Ground turkey		Lb		
Tofu Pups		Dz		
Tempeh		Lb		
Oxtail, cut, raw		Lb		
Pipi Kaula		Lb		
Pork butt, boneless		Lb		
Pork loin, boneless		Lb		
FJ smoked bone-in ham		Lb		
Ham hocks, smoked, s/o		Lb		
Tavern ham		Lb		
Pastrami- bottom round		Lb		
Bologna, kosher, all-beef		Lb		
Bacon		Lb		
Pork sausage patties		Lb		
Pork sausage links		Lb		
Portuguese sausage		Lb		
Italian links, mild		Lb		
Turkey breast, smoked		Lb		
Tom turkey		Lb		
Game hens		Lb		
Whole fryer chicken		Lb		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
Chicken breast, boneless		Lb		
Chicken wings		Lb		
U-8 black tiger shrimp		Lb		
IQF bay shrimp		Lb		
Shrimp, headless, s/o	16-20ct	Lb		
Scallops	10-20ct	Lb		
Black cod, whole		Lb		
Opakapaka		Lb		
Imitation crab		Lb		
Mahimahi		Lb		
Salted salmon meat		Lb		
<b>Frozen Produce, Juices and Desserts</b>				
Guacamole		Lb		
Asparagus		Lb		
Green peas		Lb		
Corn, cut, whole kernel		Lb		
Regular cut french fries		Lb		
Frozen strawberries (regular or IQF)		Oz		
Frozen blueberries (regular or IQF)		Oz		
Frozen raspberries (regular or IQF)		Oz		
Frozen blackberries (regular or IQF)		Oz		
Frozen lemonade		Oz		
Frozen orange juice		Oz		
Orange cream bar	12/pkg	Pkg		
Chocolate fudge bar	12/pkg	Pkg		
Chocolate ice cream cup	8/pkg	Pkg		
Vanilla ice cream cup	8/pkg	Pkg		
Orange sherbet cups	8/pkg	Pkg		
Watermelon sherbet cups	8/pkg	Pkg		
Vanilla sandwich	6/pkg	Pkg		
Vanilla ice cream		½ gallon		
<b>Drinks</b>				
Iced cappuccino	24 per case	Case		
Classic Coke and Diet Coke	24 per case	Case		
Pepsi and Diet Pepsi	24 per case	Case		
7-Up and Diet 7-Up	24 per case	Case		
Barq's root beer	24 per case	Case		
Natural soda (Hansen's/Blue Sky)	24 per case	Case		
Arizona green tea w/ginseng	12 per case	Case		
Arizona raspberry tea	12 per case	Case		
Ito En green tea	24 per case	Case		
Aloha guava nectar	24 per case	Case		
Aloha iced tea	24 per case	Case		
Aloha passion-orange juice	24 per case	Case		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
V-8 vegetable juice (regular, spicy)	24 per case	Case		
Lipton tea bags		Case		
Ground coffee		Lb		
Cocoa, individual packages		Case		
<b>Snacks</b>				
Oreo mini single serve	48/1.5oz	Case		
Oreo single serve	48/2oz	Case		
Famous Amos cookies single serve	36 per box	Box		
Chips Ahoy mini single serve	48/1.5oz	Case		
Graham crackers		Box		
Microwave popcorn	36-3oz	Case		
Saltines	500/2-pak	Case		
Fig Newtons		Box		
Reese's peanut butter cups	36 per box	Box		
Hershey's milk chocolate bars	36 per box	Box		
M&M's king size peanut	24 per box	Box		
Twix bars	36 per box	Box		
Snickers	24 per box	Box		
Three Musketeers	24 per box	Box		
Quaker chewy granola bars	48 per box	Box		
Frito Lay variety pack	42 count	Box		
Kellogg's Rice Krispy Treats	30 count	Box		
Ritz bits cheese	48/1.5oz	Case		
Kraft cheese & crackers	30 count	Box		
<b>Dry/Canned Meats, Fruits and Vegetables</b>				
Vienna sausage	18 per can	Case		
Beans w/pork	6-10# can	Case		
Chili con carne w/o beans	6-10#	Case		
Hormel Spam	12oz / 24/case	Case		
Corned beef, canned	12oz / 6/case	Case		
Chopped ocean clams	12-51oz	Case		
Tuna, chunk albacore	6-66.5oz	Case		
Cara Mia artichoke hearts	62oz jar / 6/case	Case		
Lindsay sliced olives		Lb		
Pimento stuffed olives		Gal		
Capers		Oz		
Rosarita refried beans	6-10#	Case		
Bamboo shoots	6-10#	Case		
Green beans	6-10#	Case		
Garbanzo beans	6-10#	Case		
Kidney beans	6-10#	Case		
Roasted red peppers	15-28oz	Case		
Tomatoes, whole pear	6-10#	Case		



item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
Tomato paste	24-12oz	Case		
Tomato sauce	24-12oz	Case		
Mushroom stems & pieces	6-10#	Case		
Straw mushrooms	6-10#	Case		
Water chestnuts		Oz		
Sauerkraut		Oz		
Diced Chilis (Ortega)		Oz		
Whole Chilis		Oz		
Whole Chipotles (Adobo)		Oz		
Jalapenos		Oz		
Kosher Dill Pickle Spears		Oz		
Cranberry sauce	6-10#	Case		
Mandarin orange segments	6-10#	Case		
Peach halves		Case		
S&W fruit cocktail		Lb		
Pineapple sliced rings		Lb		
Peanut butter, single serve		Case		
Assorted jams, indiv.	200/.5oz	Case		
Nori sheets	50 count	Pkg		
Nori Kome/Sesame/Furitake		Pkg		
Ume Boshi		Oz		
Shirakiku shiitake mushroom		Each		
Sakusaku Wakame		Each		
Black Beans, Fermented		Oz		
<b>Baking and Spices</b>				
Lady fingers, Bonomi		Oz		
Telco pastry shells	240/case	Case		
Puff pastry sheets		Lb		
Pudding, instant vanilla	12-28oz	Case		
Jello, strawberry	12-24oz	Case		
Pie filling, apple		Case		
Pie filling, blueberry		Case		
Pie filling, cherry		Case		
Mini marshmallows	24-10oz	Case		
Marshmallows		Oz		
Shredded coconut		Lb		
Sunmaid raisins	12-24oz	Case		
Slivered almonds		Lb		
Pecan pieces		Lb		
Walnuts		Lb		
Dry roasted peanuts		Lb		
Vegetable shortening		Lb		
Pancake mix		Lb		
Graham cracker crumbs		Lb		
Vanilla extract		Quart		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
Almond extract		Oz		
Basil leaf		Oz		
Cinnamon, ground		Oz		
Cinnamon stick	2"	Oz		
Cumin seed, ground		Oz		
Curry powder		Oz		
Dry mustard		Oz		
Ginger, ground		Oz		
Nutmeg, ground		Oz		
Oregano leaf, whole		Oz		
Old Bay seasoning		Oz		
Italian herb seasoning		Oz		
Paprika, sweet		Oz		
Pickling spice		Oz		
Sage		Oz		
Tarragon		Oz		
Dill		Oz		
Granulated Onion		Oz		
Nutritional yeast		Oz		
Thyme leaf, whole		Oz		
Star Anise, whole		Oz		
Bay leaves, whole		Oz		
Garlic, granulated		Oz		
Crushed chili flakes		Oz		
Chili powder		Oz		
Wasabi		Oz		
Miso paste, white		Lb		
Pepper, black, table grind		Oz		
White pepper		Oz		
Whole peppercorns, black		Oz		
Cayenne pepper		Oz		
Taco seasoning		Oz		
Poultry Magic		Lb		
Baking power		Lb		
Baking soda		Lb		
Sugar, white, granulated		Lb		
Sugar, golden brown		Lb		
Sugar, powdered		Lb		
Salt, plain, iodized	24-26oz	Case		
Salt, Hawaiian		Lb		
Honey		Lb		
Ghiradelli cocoa, dark unsweet.		Lb		
Nestle semi-sweet morsels		Oz		
All purpose flour		Lb		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
Corn starch		Oz		
Cornmeal		Lb		
Rolled oats		Lb		
Cracked wheat		Lb		
Cake flour		Lb		
Egg shade food coloring		Oz		
KRSTZ buttermilk baking mix		Lb		
Cake mix, devil's food		Lb		
Cake mix, yellow		Lb		
Brownie mix, fudge		Lb		
Caramel sauce		Oz		
Corn syrup		Oz		
Condensed milk		Oz		
Sweetened condensed milk		Oz		
Dry powdered milk		Lb		
Lemon juice		Quart		
<b>Condiments and Seasonings</b>				
MapleHouse 100%maple syrup		Gal		
Maple Syrup 25/5		Gal		
Morehouse mustard		Gal		
Best Foods Mayonnaise		Gal		
Heinz Ketchup	24-14oz	Case		
Aloha Shoyu		Gallon		
Aloha Shoyu Packets	200 per box	Box		
Bleu cheese dressing single serve	48 count	Case		
1000 island dressing single serve	48 count	Case		
Olde Venice dressing single serve	48 count	Case		
Buttermilk ranch dressing single serve	48 count	Case		
Caeser dressing single serve	48 count	Case		
Mustard single serve	500 count	Case		
Mayonnaise single serve	200 count	Case		
Salt packets	3000 count	Case		
Coffee mate non-dairy creamer	1000 count	Case		
Sugar packets	2000 count	Case		
Equal sweetener	1-2m	Case		
Sweet Thai chili sauce		Oz		
Thai curry paste		Oz		
Curry paste		Oz		
Sweet Mirin		Liter		
Balsamic vinegar		Liter		
Beef base Supreme		Lb		
Chicken base Supreme		Lb		
Classic Gourmet clam base		Lb		
Tabasco sauce	12oz / 12/case	Case		
Demi glaze		Oz		

item	detail or specs	unit to be used for bid price	bid price per unit	vendor notes -- quantity sold / packaged / price
Hot Cholula sauce		Oz		
Sesame tahini		Oz		
Pickle relish		Oz		
Bragg's seasoning		Oz		
Coconut milk	6-10#	Case		
Panko		Lb		
Dijon ex-strength		Lb		
Horseradish, prepared		Each		
Major Gray mango chutney		Oz		
Cattleman's barbeque sauce		Gal		
Panda oyster sauce		Lb		
Plum sauce		Lb		
A-1 steak sauce	24-5oz	Case		
L&P worchestershire sauce		Case		
Hickory seasoning (liq. Smoke)		Gal		
Hoisin sauce		Lb		
Kitchen Bouquet		Quart		
Sesame seeds, white		Oz		
Chili paste, red/sambal		Oz		
Ortega salsa w/green chiles		Gal		
Patis		Oz		
Sesame oil		Oz		
Olive Oil		Oz		
75% canola/25% olive oil		Gal		
Canola frying oil		Lb		
Non-trans-fat frying oil		Lb		
Vegalene pan coating spray		Oz		
<b>Pasta, Rice and Grains</b>				
Maruchan Ramen (shrimp, chicken)	24 per case	Case		
Maruchan inst. lunch (shrimp, chicken)	24 per box	Box		
Rice, Calrose, Kokuho, Homai		Lb		
Rice, Calrose, Fukusuke		Lb		
Long-grain Rice		Lb		
Brown Rice		Lb		
Taco shells	200 count	Case		
Assorted P.C. breakfast cereals	72 count	Case		
Idahoan mashed potatoes		Lb		
Instant variety oatmeal	64 count	Case		
Elbow macaroni		Lb		
Lasagne, Costa		Lb		
Linguine		Lb		
Penne Rigate		Lb		
Egg noodles, extra wide		Lb		